

EXECUTIVE CHAMBERS

HONOLULU

LINDA LINGLE
GOVERNOR

December 29, 2009

The Honorable Calvin K.Y. Say, Speaker
and Members of the House of Representatives
Twenty-Fifth State Legislature
State Capitol, Room 431
Honolulu, Hawaii 96813

Dear Speaker Say and Members of the House:

For your information and consideration, I am transmitting herewith two (2) copies of the Department of Accounting and General Services' Annual Report on the Wireless Enhanced 911 Board for the period July 1, 2008 through June 30, 2009. Pursuant to section 93-16, Hawaii Revised Statutes, I am also informing you that the report may be viewed electronically at <http://www.hawaii.gov/dags/rpts>.

Sincerely,



LINDA LINGLE

Enclosures

EXECUTIVE CHAMBERS

HONOLULU

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GOVERNOR

December 29, 2009

The Honorable Colleen Hanabusa, President
and Members of the Senate
Twenty-Fifth State Legislature
State Capitol
Honolulu, Hawaii 96813

Dear President Hanabusa and Members of the Senate:

For your information and consideration, I am transmitting herewith two (2) copies of the Department of Accounting and General Services' Annual Report on the Wireless Enhanced 911 Board for the period July 1, 2008 through June 30, 2009. Pursuant to section 93-16, Hawaii Revised Statutes, I am also informing you that the report may be viewed electronically at <http://www.hawaii.gov/dags/rpts>.

Sincerely,



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Enclosures

STATE OF HAWAII
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
ANNUAL REPORT ON
THE WIRELESS ENHANCED 911 BOARD
FOR THE PERIOD
JULY 1, 2008 THROUGH JUNE 30, 2009

SUBMITTED TO
THE TWENTY-FIFTH STATE LEGISLATURE
IN RESPONSE TO SECTION 138-6, HAWAII REVISED STATUTES

STATE OF HAWAII
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
ANNUAL REPORT ON THE WIRELESS ENHANCED 911 BOARD
FOR THE PERIOD FROM JULY 1, 2008 THROUGH JUNE 30, 2009

Pursuant to Section 138-6, HRS, the Wireless Enhanced 911 Board (the Board) is required to submit an annual report to the legislature no later than twenty days prior to the convening of each regular session. The Wireless Enhanced 911 Fund is comprised of monthly surcharges imposed on every commercial mobile radio service connection. For the purposes of this report, the Wireless Enhanced 911 Fund will be referred to as "the Fund," the Public Safety Answering Points as "PSAPs", and the Wireless Service Providers as "WSPs."

The following is a summary of the Wireless E911 Fund Receipts and Disbursement:

Wireless E911 General Fund
Summary of Cash Receipts & Disbursements
For 12 months ending June 30, 2009

Description	Amount
Cash Receipts:	
WSP Surcharge Collections	\$8,111,452.83
Interest Income	\$22,379.68
Total Receipts	\$8,133,832.51
Disbursements:	
Act 79 Fund Transfer to State	\$16,000,000.00
PSAP Reimbursements	\$3,746,183.16
DB&F Assessments(Revenue/Admin)	\$956,037.75
Consulting	\$583,485.66
WSP Cost Recovery	\$406,122.39
Board Member Travel (interisland)	\$29,924.79
Total Disbursements	\$21,721,753.75
Total Net Cash Disbursements	\$13,587,921.24

This report includes the following information:

1. The total aggregate surcharge and interest collected by the Fund in the last fiscal year for the period of July 1, 2008 to June 30, 2009, amounted to \$8,133,832.51.
2. The total disbursements from the fund amounted to \$21,721,753.75.

3. The recipient of each disbursement and a description of the project for which the money was disbursed:

Amount	Description of Expenditure	Payee
\$16,000,000.00	Act 179 Fund Transfer to State General Fund	Director of Finance, State of Hawaii
	<i>PSAP REIMBURSEMENTS:</i>	
\$1,788,630.98	CML position Tariff and equipment costs are necessary to receive e911 calls by the PSAPs from the HawTel switching equipment for all counties.	Hawaiian Telcom
\$338,845.00	Pictometry Licensing Agreement- Pictometry software is a powerful tool for the responder which provides detailed imagery for every square foot of a region and can navigate quickly and easily between views of a map to images associated with it specific features contained within images such as doors, manholes, fences, and fire hydrants. With this capability, responders may be directed to the emergency in the most direct route and in the case of high rise buildings, the software will acknowledge any obstacles that may impede a rapid response.	Pictometry International Corporation
\$144,236.45	Microwave Link Equipment was purchased to install at the EMS tower for network connection between the EMS facility at the Airport to the City's data center at Fasi Municipal Building to connect the EMS PSAP with other Oahu PSAPs in the sharing of data and information	Oahu PSAP
\$21,077.49	Hard Disks, backplane and servers to support Pictometry imagery stored at DIT	Oahu PSAP
\$38,368.92	T1 Line Charge- The City & County of Honolulu has a T1 connection to Hickam Fire; a secondary PSAP. The T1 provides a means for Hickam Police to receive much needed mapping services and data updates.	Hawaiian Telcom

\$159,263.50	Conferences provide the PSAP with an effective opportunity to stay abreast of national standardization efforts and training with regards to day-to-day operational 9-1-1 issues impacting their PSAPs, specifically with regards to new and emerging technologies. In addition, it provides networking opportunities with subject matter experts and fellow PSAPs in the US and worldwide.	Reimbursement to Conference PSAP attendees from counties of Oahu, Hawaii, Maui and Kauai.
\$113,300.00	Fiber Optic Cable- The purchase of the Fiber cable was to provide a necessary backup to the existing single fiber optic cable between the Fasi Municipal Building and the Honolulu Police Department's Communications Division located in the Alapai Police Headquarters where the PSAP is located. With this backup, the risk of a communications failure due to both intentional and unintentional disruption is lessened considerably.	Oahu PSAP
\$1,123,383.04	<p>Program Mgt. Consulting Services- Akimeka, LLC provides continued Wireless E911 Program Management Services and Geographic Information Systems Services for the neighbor island counties of Hawaii, Maui and Kauai. The services rendered include:</p> <ol style="list-style-type: none"> 1. Program mgmt. support. 2. PSAP Day-to-Day Operational support. 3. Geographic Information System (GIS) services. 4. Master Street Address Guide (MSAG) services. 5. Database synchronization. <p>Benefits include:</p> <ol style="list-style-type: none"> 1. Up-to-date location information on emergency calls received by the respective dispatch center. 2. Current GIS information. 3. Coordination for implementation and testing of 	Akimeka, LLC

	<p>new additions to the network with wireline, wireless, VoIP and Telemetrics service providers.</p> <p>4. Dealing with only one company with which to coordinate activities and issues.</p>	
\$11,538.53	GeoComm Software Training was conducted for the benefit of the PSAP users. GeoComm software is a mapping/geographical information software that is utilized to locate 911 wireless callers.	GeoComm Resources Ltd.
\$7,539.25	Lease for EMS is to house the microwave equipment at the EMS facility.	Oahu PSAP
\$3,746,183.16	Total PSAP Reimbursements	
	Consulting Expenses:	
\$292,393.43	<p>Executive Director Wireless E911- The ED was approved by the Board of Directors in order to provide essential support to the Board which includes:</p> <ol style="list-style-type: none"> 1. Accounting. 2. WSP revenue collection services. 3. Banking relations. 4. Drafting legislation. 5. Board and Committee Agendas and minutes. 6. Supervising audits. 7. Approved cash disbursements. 8. Record keeping. 9. Creating and maintaining E911 website. 10. Provide expert counsel on E911 issues. 11. Budget and Planning. 	Akimeka, LLC
\$291,092.23	Intrado Consulting Services- Intrado was engaged by the Board to assist them in preparing Requests for Proposals (RFP), seeking qualified	Intrado, Inc.

	vendors(s) to develop a plan and oversee the expansion of wireless 911 services throughout the State of Hawaii in the interest of public safety. The goal of this large scale project is to expand wireless 911 service in parts of the state that do not have adequate cellular phone coverage, thereby inhibiting cellular phone use in the event of an emergency.	
\$583,485.66	Total Consulting Expenses	
\$956,037.75	The Dept. of Budget & Finance Revenue and Administrative Assessments are authorizes under §36-27 & §36-30, HRS. The assessments on revenue (5%) and expenditures (≈2%) from the Fund. The total amount covers FY08 & FY09.	Director of Budget and Finance, State of Hawaii
\$406,122.39	WSP Cost Recovery. §138-5, HRS, requires that 1/3 of the net proceeds of the WSP surcharge revenue (after Board administrative expenses) are to be set aside for potential cost recovery claims by the WSPs.	Sprint/Nextel & Nextel Partners, Inc.
\$29,924.79	Board & Committee member interisland travel to Oahu scheduled meetings	Reimbursed to traveler
\$21,721,753.75	Total Disbursements	

4. *The conditions, if any, placed by the Board on disbursements from the fund.*

The Board has implemented policies and procedures for PSAPs and WSPs seeking reimbursements from the Fund. The Board requires copies of all invoices for which the recipient is seeking reimbursement, and the appropriate committees on the Board must approve the request before the Board approves the invoice for payment. The approved disbursement check must be signed by the Board Chair and another approved signatory. These policies and procedures can be viewed by the public on-line at the Board's website, www.hawaiiwirelesse911.hawaii.gov.

5. *The planned expenditures from the fund in the next fiscal year are as follows:*

**Wireless E911
FY 2010 Estimated Expenditures**

DESCRIPTION	AMOUNT
Board Administrative Expenses:	
1. DB&F Rev. Assessment (\$36-27,HRS)	\$415,000.00
2. DB&F Admin. Assessment (\$36-30,HRS)	\$171,700.00
3. Executive Director Contract	\$335,000.00
4. Intrado Consulting Contract	\$384,000.00
5. Board & Committee members interisland travel to attend scheduled meetings	\$29,000.00
6. Independent CPA Audit (\$138-7,HRS)	\$8,900.00
PSAP Reimbursements	\$7,479,400.00
WSP Reimbursements (\$138-5,HRS)	\$177,000.00
Total	\$9,000,000.00

6. *The amount of any unexpended funds carried forward for the next fiscal year.*

The amount of unexpended funds carried forward for the next fiscal year amounts to \$8,425,542.32 as calculated below:

Description	Amount
Beginning Cash Balance (7/1/08)	\$22,013,463.56
Revenues	\$8,133,832.51
Less Disbursements	\$21,721,753.75
Ending Balance (6/30/09)	\$8,425,542.32

7. *A cost study to guide the Legislature towards necessary adjustments to the fund and the monthly surcharge.*

The Wireless E911 Long Term Spending Plan calls for the following expenditures over 6 years:

Description of Expense	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
CAD Related	\$ 4,598,028	\$ 5,803,582	\$ 2,950,802	\$ 3,716,226	\$ 3,118,326	\$ 3,288,776
Hawaiian Telcom Services	\$ 2,851,194	\$ 2,841,174	\$ 2,922,826	\$ 3,006,926	\$ 3,093,550	\$ 3,182,773
Consulting	\$ 2,249,477	\$ 2,277,721	\$ 2,348,348	\$ 2,422,289	\$ 2,498,583	\$ 2,577,303
Pictometry	\$ 1,950,595	\$ 1,991,493	\$ 2,024,476	\$ 2,069,211	\$ 2,105,116	\$ 2,249,138
Board Administration	\$ 1,080,926	\$ 960,827	\$ 1,292,640	\$ 1,391,968	\$ 1,371,351	\$ 1,424,841
Equipment & Maintenance	\$ 1,320,127	\$ 1,159,943	\$ 803,578	\$ 818,726	\$ 834,328	\$ 850,398
WSP Cost Recovery	\$ 177,000	\$ 688,849	\$ 562,959	\$ 612,440	\$ 593,590	\$ 618,847
Conferences & Training	\$ 217,536	\$ 203,065	\$ 209,157	\$ 215,431	\$ 221,894	\$ 228,551
State & C&C of HNL Building Updates	\$ 750,722					
Total	\$15,195,605	\$15,926,654	\$13,114,786	\$14,253,217	\$13,836,738	\$14,420,627

Much of the spending is necessary to modernize existing aging equipment and software in order to meet or exceed the PSAP public safety goals and the continuing training needs of the PSAPs to keep abreast of technological changes. In addition there is a national movement to transition to Next Generation 911 system which will enable all users and technologies capable of "calling" 911 to be responded to by PSAPs and first responders. This will require expenditure levels above current levels.

The current Legislative Appropriations Ceiling remains at \$9M which will prevent the Board from utilizing existing funds to meet its desired FY 2010 spending target of \$15.2M. Spending beyond the \$9M will have to be delayed until the appropriations ceiling is raised.

The loss of \$16M to the State General Fund as a result of the statewide budget shortfall means that a future rate increase should be considered in order to provide E911 services at the level required by increasing demands on first responders. The growth in WSP surcharge revenue is anticipated to increase at a rate of 3% per year. This would be insufficient to meet the spending plans for the out years. Efforts are currently underway to investigate possible alternatives to the surcharge rate increase.

8. *A progress report of jurisdictional readiness for wireless E911 services, including public safety answering points, wireless providers, and wireline providers. The report shall include the status of requirements outlined in the FCC Order 94-102 and subsequent supporting orders related to phase I and Phase II wireless 911 services.*

All requirements of FCC Order 94-102 have been met by the Public Safety Answering Point (PSAPs), Wireless Service Providers (WSPs) and the Local Exchange Carrier (LEC). The State of Hawaii is currently Phase II capable throughout the state and each PSAP has the capability to make useful the data elements being transmitted by the WSPs and delivered by the LEC. All WSPs (AT&T, Mobi-PCS, Nextel, Sprint, T-Mobile, and Verizon) are providing Phase II services in all Counties and Jurisdictions and are only limited by coverage, RF interference, and terrain anomalies. The State of Hawaii Enhanced Wireless 911 Board made a monumental decision to deploy its wireless 911 service directly to Phase II capability. The WSPs continue to expand their existing networks by adding additional sites in each of the Jurisdictions at a steady pace. Some of the WSPs have doubled the number of communications sites and sectors on the Neighbor Islands since the original deployment of the Phase II service. Advancements in technology in the wireless industry have also placed demands on the PSAPs by WSPs deploying new and improved networks that support broadband capabilities such as the wireless 3G networks deployed by most of the WSPs.

The State of Hawaii Wireless 911 service has graduated from a wireless Phase II deployment phase to Wireless Phase II maintenance and

expansion phase. This wireless maintenance and expansion phase has opened the door for the PSAPs to start receiving New and Emerging Technology 911 services such as Voice over Internet Protocol (VoIP) and Telematics emergency services. These new 911 services are already being delivered to the PSAPs and must be addressed in an expeditious manner to keep pace with the demands for Enhanced 911 response and dispatch by the PSAPs.

The Wireless E911 Board is poised to provide an unprecedented level of emergency services to callers to the E911 PSAPs that do not use either wireless or wireline technology. What is required to make this a reality is a broadening of the scope of the Wireless E911 Board's responsibility and improvements to the systems that support the PSAPs and first responders. It is a matter of health and safety.

GLOSSARY OF TERMS

ALI – Automatic Location Identification
CAD – Computer Assisted Dispatch
CDMA – Code Division Multiple Access
CML – Cache Meta Language
GIS – Geographic Information Systems
GSM – Global System for Mobile
iDEN – Integrated Digital Enhanced Network
LEC – Local Exchange Carrier
NG9-1-1 – Next Generation 9-1-1
PSAP – Public Safety Answering Point
VoIP – Voice over Internet Protocol
WBB – Wireless Broadband
WSP – Wireless Service Provider